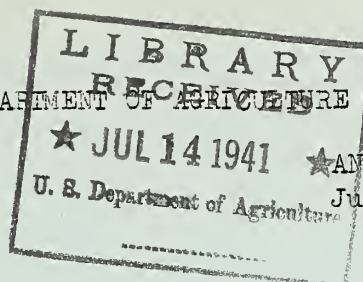


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UNITED STATES DEPARTMENT OF AGRICULTURE



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July 11, 1941

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AGRICULTURE AND NATIONAL DEFENSE

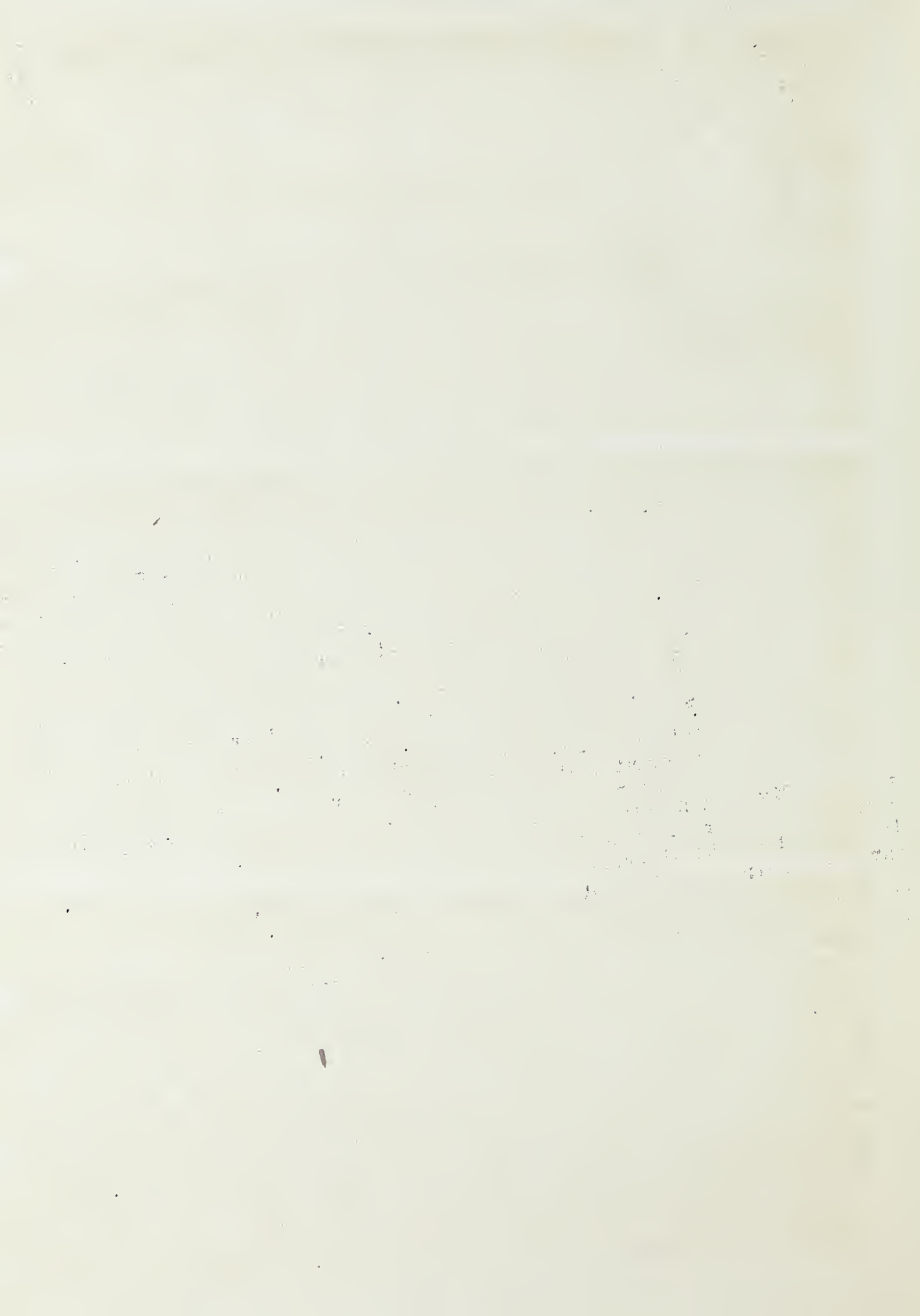
USDA DEFENSE BOARDS have been established in every State and every county of the United States by Secretary Wickard. In creating the boards, the Secretary declared that "national defense is the first order of business in the U.S. Department of Agriculture." He also pointed out that the President's recent action in establishing the Office of Agricultural Defense Relations as part of the Secretary's office "signifies, as do other developments, the vital importance of agriculture in the defense program." The membership of the defense boards comprises a representative from each of the Department agencies whose services will be called on by the Secretary to administer actions necessary to carry out his departmental responsibilities in national defense. The chairman of each county board is the chairman of the county AAA committee. Secretary Wickard pointed out that the major part of the Department's defense job involving field work centers on adjustment of farm production, and that helping farmers make adjustments in production is the major job of the Agricultural Adjustment Administration. The agencies of the Department whose representatives serve on the State defense boards include the Agricultural Adjustment Administration, the Bureau of Agricultural Economics, the Farm Security Administration, the Soil Conservation Service, the Farm Credit Administration, the Surplus Marketing Administration, the Agricultural Marketing Service, the Forest Service, the Rural Electrification Administration, and the Federal-State Cooperative Extension Service. Not all of these agencies have employees in the counties. The membership of the county boards will be made up of the principal employees of each of these agencies which maintains an office in any given county. The USDA County Defense Boards are responsible through their chairmen to the USDA State Defense Boards. The USDA State Defense Boards are responsible through their chairmen to the Secretary of Agriculture.

ADMINISTRATIVE PERSONNEL OF THE OFFICE OF AGRICULTURAL DEFENSE RELATIONS has been announced by the Department. The OADR is a planning, advisory, and liaison unit within the Office of the Secretary of Agriculture. It serves as a clearing house for consideration of agricultural needs as they relate to defense. It has been organized with four over-all divisions. In addition to M. CLIFFORD TOWNSEND, DIRECTOR, other administrative personnel are: DAVID MECKER, former assistant to the Secretary of Agriculture, will serve as ASSISTANT DIRECTOR. Mr. Mecker had been handling defense problems for the Secretary prior to his appointment. D. A. FITZGERALD, assistant chief of the Division of State and Local Planning, Bureau of Agricultural Economics, will be CHIEF OF THE PRODUCTION DIVISION. Mr. FitzGerald's division will be responsible for assisting with problems in connection with adjusting production to meet the military, domestic, and lend-lease demands for agricultural products. The division will also be responsible for contacts with the Office of Price Control and Civilian Supply relating to agriculture. L. L. NEEDLER, former secretary of the Indiana Farm Bureau and former purchasing agent of the State

of Indiana, will be CHIEF OF THE FARM EQUIPMENT AND SUPPLIES DIVISION. This division will be responsible for assisting in securing priorities for agriculture, including metals for farm equipment and for plants processing farm products; chemicals for fertilizers, insecticides, and fungicides; petroleum products and other materials needed to maintain the farm plant. JAMES E. WELLS, JR., now serving as special assistant to the Secretary of Agriculture, will serve on detail as CHIEF OF THE TRANSPORTATION AND MARKETING DIVISION. This division will be responsible for assisting to secure transportation, warehousing, packaging, and marketing facilities for agricultural products and supplies. RAYMOND C. SMITH, chief program analyst of the Bureau of Agricultural Economics and chairman of a Department of Agriculture sub-committee on farm labor, will serve on detail as CHIEF OF THE LABOR AND RURAL INDUSTRIES DIVISION. The division will be responsible for developing and planning programs in cooperation with existing agencies to assist in handling farm labor problems. It will also review and analyze requests for the location of military establishments, and consult with the Labor Division of the Office of Production Management on all labor relations involving agriculture.

AID FOR FARMERS FACING A SERIOUS SHORTAGE OF STORAGE SPACE FOR GRAIN now being harvested has been given with the issuance by the Office of Price Administration and Civilian Supply of a civilian allocation program providing for emergency preference ratings on 15,000 tons of sheet steel to be used in construction of grain bins. The program provides that emergency preference ratings effective for obtaining such material shall be issued to the extent determined by the Office of Production Management to be consistent with the defense program. The allocation program includes 10,000 tons of galvanized sheets, of which approximately 6,000 tons have already been delivered to grain bin manufacturers, and 5,000 tons of black sheets. In allocating the remaining tonnage of galvanized sheets the Director of Priorities will, as in the case of tonnage already allocated, grant individual preference rating certificates among manufacturers in such manner as may be feasible. The Office of Price Administration and Civilian Supply said that although more than 15,000 tons of steel could be used for construction of needed grain bins at the present time, this is all that can be diverted from other critical demands, thus making it necessary to construct additional bins from other materials.

IN ORDER TO PREVENT LOSS OF A PORTION OF THE 1941 FRUIT AND VEGETABLE CROP, the Priorities Division of the Office of Production Management has issued an order providing an A-2 preference rating which may be applied to deliveries of materials needed by plants constructing or repairing canning machinery and equipment. The A-2 rating may be used, however, only in accordance with specific instructions and regulations contained in the order (P-17). Reasons for the new order are: (1) Insufficient machinery and equipment is now available for preparing and processing the 1941 crop of fruits and vegetables and for filling, labelling, closing, and packaging the required containers. (2) There is also a scarcity of many of the materials required for construction and repair of such equipment. (3) The Office of Price Administration and Civilian Supply has issued a program stating that such materials should be given an emergency preference rating. The order provides that a producer of the canning equipment required may apply the A-2 rating to his deliveries by accepting the terms of the order in writing and serving a copy of it on his supplier. Provisions are also included whereby the rating may be used to



expedite deliveries to suppliers and sub-suppliers of the producer. It is stipulated that the rating may be applied only to materials which appear on the Priorities Critical List. It is also provided that the order is a temporary one, taking effect on July 9 and expiring August 31, 1941. About 35 producers of machinery and equipment are on the initial list of those who will receive the order. All of them are urged not to use critical materials such as aluminum, or stainless steel containing nickel, if substitutes can be used.

ERNEST E. ESGATE, OF THE FOREST SERVICE, who helped organize the portable sawmill work for the New England Timber Salvage Administration, has been loaned to the Engineering Board of the Army for an indefinite period. He will assist in organizing plans, construction, and operation of portable sawmills and the training of men in such work. He will be located at Ft. Belvoir, Virginia, which is the Army's engineering center in the East. Ft. Belvoir has also arranged to borrow from the Forest Service's Region 6, one of the power chain saws developed by forestry engineers in that Region, to aid in developing a satisfactory power chain saw for military use with combat engineering units.

FARMERS AND STOCKMEN BORROWED MORE THAN \$200,000,000 OF SHORT-TERM CREDIT from their 525 production credit associations during the first 6 months of 1941 to finance their crop and livestock operations, according to the Farm Credit Administration. The increase of more than 19 percent over the same period last year was attributed to many farmers increasing the production of vital foods under the Food-for-Defense Program, to the rising costs of production, to the necessity of hiring labor and buying machinery to replace family labor that has entered the Army or defense industries, and to the increased tendency of members to obtain all of their short-term financing from their associations. All parts of the country showed increases this year.

SUMMARY OF FOREIGN DEVELOPMENTS

BRAZIL: Negotiations are being carried on with the Vichy Government regarding the purchase of about 60,000 bales of Sao Paulo cotton worth one hundred million francs (\$2,300,000) payment to be effected by repatriation of Brazilian franc bonds.

INDIA: Japan made heavy purchases of Indian cotton during the past 2 months compared with subnormal buying during the previous 10 months. The quantity now lying at Bombay and Karachi cannot be moved before the end of August, however, unless additional steamers are berthed. Practically all space is reserved for cotton destined for Japan, thereby excluding cotton for Shanghai, something which has never been done before.

JAPAN: Cotton textile exporters at Kobe reported that exports of all cotton goods from Japan have been suspended temporarily because of a lack of raw material and that no export licenses are being granted for future orders. It was expected, however, that the situation would be clarified within a few days.

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SPAIN: The Government continues to revise downward the estimates of olive oil production. Its present figure of 290,000 metric tons probably will be reduced further. Diversion of fertilizer from orange groves to rice areas, especially in Valencia, has adversely affected trees and may cause a short crop. Apple production will be below normal. Although areas under cultivation by vineyardists closely approximate the average of 3,600,000 acres, the plants are suffering from a lack of fertilizers and the crop may be 30 percent below average. The condition of pastures, because of heavy rains, is generally better than at this time last year. No recent livestock figures are available but heavy losses were sustained during the winter because of the fodder shortage. In some areas the lamb mortality was 40 percent. Milk production has been reduced 40 percent to 50 percent in some sections.

